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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 000164

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SUBJECT: DPP VICE PRESIDENTIAL CANDIDATE SU TSENG-CHANG ON
THE DPP CAMPAIGN, UN REFERENDUM, AND PRESIDENT CHEN

Classified By: AIT Director Stephen M. Young,
Reasons: 1.4 (b/d)

11. (C) Summary: DPP vice presidential candidate Su
Tseng-chang told the Director on January 31 that President

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Chen Shui-bian has retreated to the "second line" following the party's defeat in the January 12 legislative elections. Su stressed that with Chen's influence already declining rapidly, the president will be unable to launch any new initiatives between the March 22 presidential election and when he leaves office on May 20. Su stressed that a major DPP campaign theme will be the need to elect Frank Hsieh as president to prevent one-party domination by the KMT. By playing up this theme and also attacking Ma for having had a U.S. "green card," Hsieh has cut KMT candidate Ma Ying-jeou's lead to 10 points, according to the DPP's internal polling. Su pointed to Hsieh's emphasis on the election, not the UN referendum, in his campaigning. He also discussed at length concerns that, if elected, Ma might, for short-term economic benefits, make deals with Beijing that were not in Taiwan's long-term interests. End Summary.

12. (C) The Director discussed political developments and the presidential campaign with DPP vice presidential candidate Su Tseng-chang on January 31. The Director noted to Su the

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inaccuracy of a "China Times" article claiming the Director had told KMT Chairman Wu Poh-hsiung that "the DPP had no hope." Stressing that he had made no such statement, the Director explained that the U.S. greatly respects Taiwan's democracy and maintains neutrality in elections, which are up to the voters of Taiwan to decide. Su accepted the Director's points and emphasized that he was careful never to talk to the press about the content of his meetings with the Director.

The LY Election Defeat

13. (C) On the DPP's defeat in the January 12 Legislative Yuan (LY) elections, Su explained that the new electoral system resulted in the DPP's ending up with only 20 percent of the seats despite winning almost 40 percent of the votes.

However, the failure of the DPP to increase its vote share after 8 years in power is a serious problem. Many people, who objected to actions and statements by government officials during the campaign, used their vote to "punish" the DPP. (Note: Su was presumably referring in particular to the confrontational approach adopted by Education Ministry officials in changing the name of the former Chiang Kai-shek Memorial.) Although Chen's activist campaign style worked in the past, people had a negative reaction this time, so the more Chen campaigned, the worse the situation became. While local crowds warmed to Chen's Deep Green rhetoric, the television audience throughout Taiwan did not.

Presidential Campaign

¶4. (C) The DPP needs to reflect and reform following the LY election defeat, Su acknowledged, but it cannot do so until after fighting and hopefully winning the presidential election. The DPP needs to convince the voters to elect a DPP president to prevent an over-concentration of power in the hands of the KMT. If the KMT adds the presidency to its 3/4 majority in the LY, Su explained, it will have a free hand to appoint the leadership of all five branches of government (Executive, Legislative, Control, Examination, and Judicial Yuan).

¶5. (C) The DPP will need to work hard to win the presidential election, Su admitted. However, the KMT's vote share in the LY elections was not as large as its seat total would suggest, and presidential and LY elections are not the same. In a presidential election, the issues are at a higher level and the turnout rate is greater. According to a new DPP internal poll, KMT candidate Ma Ying-jeou's lead over Frank Hsieh has shrunk to 10 percent. Su attributed this "positive trend" to Ma's green card problem and to widespread public concern about one-party domination, as exemplified by

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Lee Yuan-tseh's recent decision to endorse Hsieh. Su pointed to the large crowds that attended the three major rallies held by Hsieh (Kaohsiung, Taichung, Taipei County) since the LY elections. The deep concern of DPP supporters is reflected in the size of the crowds and the fact that almost all people stayed until the very end of the rallies.

President Chen on the Second Line

¶6. (C) Following the LY elections, Su said, President Chen has retreated to the second line and public attention has shifted to the presidential candidates. Chen's political influence is rapidly declining, and it will be impossible for him to launch any new initiatives between the March 22 election and the May 20 inauguration of the new president. After the election, people will be paying attention to the president-elect, and his words are the ones that will carry weight.

UN Referendum

¶7. (C) By law, Su noted, the DPP UN referendum cannot be withdrawn, but it will be very difficult for the referendum to meet the high participation threshold requirement (50 percent of all eligible voters). Although failure of the UN referendum would be another setback for the DPP, the presidential election is more important. Therefore, the DPP is now emphasizing the presidential election and not emphasizing the UN referendum. Because the KMT knows most people want to join the UN, it hopes to deal with the issue in an indirect way, for example, by proposing an LY resolution on joining the UN to substitute for the UN referendum.

Concerns about Ma Ying-jeou's Cross-Strait Policy

¶8. (C) Acknowledging the importance of economic issues to the voters, Su expressed concern that Ma Ying-jeou, if elected, would move quickly to further open cross-Strait economic relations. Beguiled both by media reporting and their own desire to make money, the public is not sufficiently aware of the danger the PRC poses to Taiwan's democracy, Su argued. Like "a thirsty person drinking poison," the KMT would accept PRC conditions such as Taiwan being part of China in hopes of gaining a quick-fix for the economy. In trying to solve a short-term problem, however, the KMT would create long-term problems for Taiwan.

¶9. (C) Increasing numbers of taxi drivers and waitresses in Taiwan are from China, Su suggested, implying that this trend adds to Taiwan's unemployment problem. Ma, however, would accept large numbers of PRC tourists without adequate measures to ensure they would all return and not stay and work illegally in Taiwan. In addition, Ma would recognize PRC degrees, which, according to Su, would allow doctors, nurses, and lawyers to come from China to Taiwan for work. The KMT also plans to allow PRC immigrants to receive Taiwan identification cards after just two years, compared to the current 8-year requirement, Su claimed.

¶10. (C) Su expressed concern that Ma, wishing to make quick deals with the PRC, would follow up the KMT's "1992 consensus on one China" with a new "08 consensus" with Beijing that Taiwan is part of China. Ma supports the goal of unification, which is also enshrined in the KMT's party constitution. Although Ma would not dare to make a move toward unification during his first term, he might do so during a second term, Su worried.

Comment

¶11. (C) Although clearly realizing the difficult race the DPP ticket faces, Su was relatively upbeat, perhaps buoyed by recent developments such as the narrowing of Ma's lead and the greater coherence in Hsieh's campaign, now that President

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Chen has retreated to the second line. Increased party unity and the sense of crisis in the DPP base may also be factors, especially since the DPP traditionally counts on stirring up the emotions of its supporters to win last minute come-from-behind victories. As the latest DPP attacks on the green card issue show, this presidential election will be hard fought, and it may well end up being close.

YOUNG